

7/1/00

Bulletin No. 00-14

Table of Contents P.1

3400	Introduction
3401	Eligibility
3401.1	Age
3401.2	Uninsured
3401.3	Citizenship
3401.4	State Residence
3401.5	Living Arrangement
3401.6	Financial Need
3401.61	Countable Income
3401.62	Excluded Income
3401.63	Determining Countable Income
3401.64	Income Test
3402	Eligibility Process
3402.1	Application
3402.2	Application Decision
3402.3	Period of Eligibility
3402.4	Identification Document
3402.5	Application for Other Benefits
3402.6	Right to Appeal
3402.7	Beneficiary Fraud Investigation
3402	Payment Conditions
3403.1	Cost Sharing
3403.2	Enrollment Fee
3403.3	Coverage
3403.4	Participating Pharmacy
3404	Prescribed Drugs
3405	Benefit Coverage

7/1/00

Bulletin No. 00-14

3400

3400 Introduction

Legislative Act ---, authorizing and supporting the Vermont Health Access Plan Pharmacy Discount Program, was adopted by the Vermont General Assembly and signed into law by the Governor on-----

The Vermont Health Access Plan Pharmacy Discount Program provides a pharmacy discount based on the Medicaid fee schedule and rebate from drug manufacturers, to Medicare beneficiaries with household incomes that exceed 175 percent of the FPL, and who have no insurance policy that covers prescription drugs and to other individuals having household incomes up to 300 percent of the FPL who do not have an insurance program that includes a prescription drug benefit, to assist them to purchase the prescription medicines that maintain their health and prevent unnecessary health problems.

This program will be implemented as soon as administratively possible, subsequent to approval from the Health Care Financing Administration under Vermont's Section 1115a Research and Demonstration Program, the Vermont Health Access Plan.

The policies which follow describe this pharmacy program, which is called VHAP-PDP.

3401 Eligibility

An individual must meet all of the following requirements (3401.1-3401.64) to be found eligible for this program.

3401.1 Age

An individual of any age may be eligible.

3401.2 Uninsured

An individual on Medicare who is not receiving assistance with prescription drug expenses is eligible for the VHAP-PDP.

An individual whose insurance policy includes a prescription drug benefit to assist them to purchase the prescription medicines that maintain their health and prevent unnecessary health problems, shall not be eligible for assistance under the VHAP-PDP.

3401.3 Citizenship

Same as Section 4001.3

7/1/00

Bulletin No. 00-14

3401.4

3401 Eligibility (Continued)

3401.4 State Residence

An individual is a state resident if he/she is living in Vermont at the time of submitting the application for VHAP-PDP:

- a. with intent to remain permanently or for an indefinite period of time; or
- b. while incapable of stating intent.

Temporary absences from Vermont for any of the following purposes does not interrupt or end Vermont residence: visiting, obtaining necessary medical care, or obtaining education or training under a program of vocational rehabilitation or higher education.

3401.5 Living Arrangement

An individual meets the living arrangement requirement unless he/she is living in a correctional facility including a juvenile facility.

An individual living in a psychiatric facility, an alcohol treatment facility, or a drug treatment facility is eligible for VHAP-PDP.

3401.6 Financial Need of a VHAP-PDP Group

Same as section 4001.8

3401.61 Countable Income

Same as Section 4001.81

3401.62 Excluded Income

Same as Section 4001.82

3401.63 Determining Countable Income

Same as Section 4001.83

7/1/00

Bulletin No. 00-14

3401.64

3401 Eligibility (Continued)

3401.64 Income Test

The following applicant meet the income test for VHAP-PDP:

- those with Medicare who have no insurance policy that provides coverage for prescription drugs and whose household income exceeds 175 percent of the FPL; and
- those with income up to but not exceeding 300 percent of the FPL, without insurance that covers prescription drugs.

3402 Eligibility Process

Individuals accepted into the VHAP-PDP program may apply for the traditional Medicaid program at any time.

3402.1 Application

Same as Section 4002.1

3402.2 Application Decision

Same as Section 4002.2

3402.3 Period of Eligibility

If all eligibility criteria are met (3401.1-3401.64), eligibility for VHAP-PDP coverage begins the date of the eligibility approval, but no later than 30 days after the date of application.

Once eligible for VHAP-PDP, coverage continues unless the individual is closed at the end of the month following a notice mailed at least 11 days before the termination date because he/she:

- is incarcerated;
- becomes eligible for another plan of assistance or insurance that provides any payment or reimbursement of prescription costs;
- moves out-of-state;
- voluntarily withdraws;

7/1/00

Bulletin No. 00-14

3402.3 P.2

3402 Eligibility Process (Continued)

3402.3 Period of Eligibility (Continued)

- is found to have been ineligible on the date coverage began;
- is no longer in contact with the Health Access Eligibility Services Unit, a Department district office or the Office of Vermont Health Access and has no known address; or
- dies.

Individuals are required to report any of the above changes, as applicable, and any change of address within 10 days of the change.

A review of eligibility will be completed prior to the end of each certification period to assure uninterrupted coverage if the individual remains eligible and complies in a timely manner with review requirements. An individual who fails to comply in a timely manner with review requirements shall receive a termination notice mailed at least 11 days before the termination date.

3402.4 Identification Document

Same as section 4002.4

3402.5 Application for Other Benefits

Individuals who wish to apply for traditional Medicaid or other benefits available through the department must file an application as required under those programs.

Eligibility for the VHAP-PDP does not limit eligibility for any other health care program offered by the department.

3402.6 Right to Appeal

Same as Section 4002.6

3402.7 Beneficiary Fraud Investigation

A person, who knowingly gives false or misleading information or holds back needed information in order to obtain VHAP-PDP benefits may be prosecuted for fraud under Vermont law or federal law or both. If convicted, the individual may be fined or imprisoned or both.

When the department learns that fraud may have been committed, it will investigate the case with respect for confidentiality and the legal rights of the beneficiary. If appropriate, the case will be referred to the State's Attorney or Attorney General for a decision on whether or not to prosecute.

7/1/00

Bulletin No. 00-14

3403

3403 Payment Conditions3403.1 Cost Sharing

For each calendar year the Commissioner will establish the amount of the cost sharing for VHAP-PDP. The amount of the cost sharing shall be equivalent to the average rebate paid to the Medicaid program by pharmaceutical manufacturers for the prior state fiscal year, rounded to the next lowest whole or half number.

3403.2 Enrollment Fee

For each calendar year, the commissioner shall set the required enrollment fee. The fee shall be collected by increasing by 4% the amount of cost sharing required of each beneficiary for each prescription or refill. Once the prescription or refill that satisfies the enrollment fee has been filled, the cost sharing shall be reduced to the amount established by the Commissioner under 3403.1 for the next prescription filled. The amount of the enrollment fee for calendar year 2000 and 2001 is \$20.00.

3403.3 Coverage

Individuals found eligible for this program receive prescription drugs from participating pharmacies at a discount based on the Medicaid fee schedule and rebate received by the state from the drug manufacturers.

Prescription coverage is limited to drugs of manufacturers that participate in the federal drug rebate program.

3403.4 Participating Pharmacy

See Section 3303.5

3404 Prescribed Drugs

See Section 3304

7/1/00

Bulletin No. 00-14

3405

3405 Benefit Coverage

Benefits are provided for:

- prescription medicines; and
- prescription contraceptive drugs.

Exclusions

No benefits are provided for:

- refills beyond the original and five refills per script up to one year maximum;
- hair replacement therapies;
- contraceptive devices or supplies;
- drugs for the sole purpose of fertility; and
- over-the-counter drugs and medicinals for which no prescription is required; and
- drugs by manufacturers that do not have a rebate agreement with the federal Health Care Financing Administration.